



**DEPARTMENT OF SOCIAL SERVICES      *EXECUTIVE BRIEFING***

**Preferred Drug List in Medicaid;  
Pharmaceutical & Therapeutics Committee**

**June 15, 2005**

The Department of Social Services has begun to implement a Preferred Drug List in the fee-for-service portion of Connecticut's Medicaid program, in compliance with Connecticut General Statutes, Section 17b-274d. The Preferred Drug List has the potential to save the state millions of dollars annually while continuing client access to necessary pharmaceuticals.

The savings potential is due to the fact that pharmaceuticals on the Preferred Drug List are not only safe and effective, but are selected in part for provision of supplemental rebates and other cost factors. As physicians prescribe pharmaceuticals on the Preferred Drug List, the state will realize additional savings while patients' healthcare needs are being served.

The Preferred Drug List process should be transparent to clients. Doctors of clients who are affected by the Preferred Drug List did and will continue to receive advance notification to either switch their patients to a preferred drug or obtain advance prior authorization. Most doctors are used to Preferred Drug Lists from private and public managed-care coverage.

*A quick overview of the technical implications follows.*

With the implementation of the state's Preferred Drug List, there will be changes in the existing 'generic substitution and prior authorization' process in the Medicaid fee-for-service pharmacy program. Essentially, the Preferred Drug List supersedes the existing process.

This involves several key factors:

- 1.) Specific pharmaceuticals designated as preferred drugs in a particular class on the Preferred Drug List will not require prior authorization, even if they are brand-name medications.
- 2.) However, some pharmaceuticals are not designated as preferred drugs, even if their particular class is on the Preferred Drug List. These drugs will require prior authorization—whether they're generic or brand-name.
- 3.) If a specific pharmaceutical is in a class of drugs that's not on the Preferred Drug List, the process reverts to the underlying generic substitution and prior authorization for brand-name drugs.

**Additional background and program information about the Preferred Drug List initiative:**

A Preferred Drug List is a pharmaceutical cost-saving measure widely used in the healthcare industry. At this time, the Preferred Drug List will only be applied to the fee-for-service Medicaid program, and not to the ConnPACE or State-Administered General Assistance programs. [The enabling legislation did not include Preferred Drug List implementation for the Connecticut AIDS Drug Assistance Program.] The State Plan Amendment for the Preferred Drug List was submitted to the federal Centers for Medicare and Medicaid Services and was approved in December 2004.

Simply put, a Preferred Drug List means that specific medications on the list are automatically approved for payment by Medicaid, without the need for generic substitution or prior authorization of payment for a brand-name drug. **A general notice about implementation of the Preferred Drug List has been sent to all Medicaid fee-for-service clients (copy of notice attached).** Primarily, Medicaid fee-for-service clients are elders age 65 or older; and adults with disabilities under age 65. Medical providers have also received information about the Preferred Drug List.

Recommendations to the Department of Social Services for inclusion of specific pharmaceuticals on the Preferred Drug List are made by a **Pharmaceutical and Therapeutics (P&T) Committee**. The P&T Committee was created as stipulated in the Connecticut General Statute Chapter 319V, Section 17b-274d. The 14 members are appointed by the Governor and include physicians, pharmacists, a manufacturer representative, nurses, and a patient advocate (full membership list on page 5). The committee meetings, which began in February 2004, are open to the public. The most recent meeting was held on May 11, 2005, and the next meeting is scheduled for September 14, 2005.

The P&T Committee reviews drug safety, efficacy and relative cost. The members of the P&T Committee review relevant clinical information presented by unbiased clinicians, material as submitted by product manufacturers and material submitted by other interested parties. Their cost review includes the existing cost to the state of each product, any supplemental rebates offered by the manufacturers, and the impact of the Preferred Drug List on the product utilization trends. After completion of its review and discussion of the materials, through a voting process, the committee makes recommendations for drugs to be included on the Preferred Drug List.

Essentially, the P&T Committee's work is twofold—first, it selects therapeutic drug classes for the Preferred Drug List, and then it selects individual preferred drugs within those classes.

The first therapeutic drug class to be implemented on the Preferred Drug List is Proton Pump Inhibitors (PPI), effective June 8, 2005.

The following six therapeutic drug classes went into effect on the Preferred Drug List on June 15:

- ACE Inhibitors
- Minimally Sedating Antihistamines

- Bone Resorption Inhibitors
- Calcium Channel Blockers
- Intranasal Corticosteroids
- Non-Steroidal Anti-Inflammatory Drugs (NSAIDS)

The following seven therapeutic drug classes will go into effect on the Preferred Drug List on July 6:

- Angiotensin Receptor Blockers (ARB)
- Narcotic Analgesics
- Atopic Dermatitis
- Beta Blockers
- Hypoglycemics (TZDs)
- Lipotropics Other
- Lipotropics Statins

It should be emphasized that the state's Preferred Drug List encompasses specific therapeutic drug classes (e.g., calcium channel blockers) and individual "preferred" drugs within those classes. The "preferred drugs" are available without Prior Authorization, even if they are brand-name medications. Brand-name and generic drugs that are not designated as "preferred" within a particular Preferred Drug List-designated therapeutic drug class are still available, if medically necessary, through the Prior Authorization process. Brand-name drugs that are not within a Preferred Drug List-designated therapeutic drug class are also available, if medically necessary, through the regular Prior Authorization process (these brand-name drugs require Prior Authorization if there are three or more equivalent generic drugs available). Generic drugs that are not within a Preferred Drug List-designated therapeutic drug class do not require Prior Authorization.

Medication	P.A. required? Yes	P.A. required? No
1. Brand-name medication designated as a specific preferred drug in a class that's on the Preferred Drug List		X
2. Generic medication designated as a specific preferred drug in a class that's on the Preferred Drug List		X
3. Brand-name drug not designated as a specific preferred drug, although its class is on the Preferred Drug List	X	
4. Generic drug not designated as a specific preferred drug, although its class is on the Preferred Drug List	X	
5. Brand-name drug that is not in a class on the Preferred Drug List	Yes, if there are three or more equivalent generics	No, if there are less than three equivalent generics
6. Generic drug that is not in a class on the Preferred Drug List		X

The DSS Prior Authorization program is administered through ACS State Healthcare (ACS). The ACS Clinical Call Center is available to prescribers 24 hours a day, 7 days a week. A prescriber completes a Prior Authorization form and faxes it to ACS for approval. ACS guarantees a decision within two hours. If the ACS clinical staff cannot make a determination within two hours, a five-day emergency supply may be dispensed. The possible reasons for PA approval include one or more of the following:

- intolerance of the preferred agents
- adverse reaction to the preferred agents
- inadequate response from the preferred agents
- absence of appropriate formulation of the preferred agents
- determined medically necessary and medically appropriate

Once Prior Authorization is approved by ACS, it is good for one year. [Legislation passed by the General Assembly in the 2005 session standardizes the timeframe for all Prior Authorizations to one year, whether the medication is a maintenance, non-maintenance or Schedule II controlled substance.]

To facilitate the transition of this program for providers throughout the state, DSS contractors Electronic Data Systems (EDS) and ACS are providing three statewide educational programs available to pharmacists, physicians, and other prescribers. These programs are designed to provide a basic understanding of the new Preferred Drug List. The topics covered are the Preferred Drug List drug selection process, review of criteria for prior authorization, timeline for introduction of the Preferred Drug List, and review of Prior Authorization procedures. In addition to these live programs, provider bulletins detailing the Preferred Drug List and PA process have been sent to all providers throughout the state. EDS and ACS will provide additional training for the providers if requested or deemed necessary.

Further information about the program and forms are available at [www.ctpharmacyprogram.com](http://www.ctpharmacyprogram.com) or at [www.ctmedicalprogram.com](http://www.ctmedicalprogram.com).

**Pharmaceutical & Therapeutics Committee – June 2005**

<b>Holly Bessoni-Lutz, R. N.</b>	Practicing Visiting Nurse, Adult
<b>Stella Cretella</b>	Consumer Representative
<b>Richard Carbray, Jr., R. Ph.</b>	Practicing Pharmacist
<b>Kenneth Marcus, M.D.</b>	Practicing Physician, DMHAS Clinician
<b>Peggy Memoli, R.Ph.</b>	Practicing Pharmacist
<b>Joseph Misiak, M.D.</b>	Practicing Physician, Geriatrician
<b>Lucille Russell, M. D.</b>	Manufacturer Representative
<b>Carl Sherter, M.D.</b>	Practicing Physician, General Practice
<b>Lawrence Sobel, R.Ph.</b>	Practicing Pharmacist
<b>Dorothy Stubbe, M. D.</b>	Practicing Physician, Psychiatrist
<b>Robert Zavoski, M. D.</b>	Practicing Physician, Pediatrician
<b>Steve Marcham</b>	Practicing Pharmacist
<b>vacancy</b>	Practicing Physician, Family Planning Specialist
<b>vacancy</b>	Practicing Visiting Nurse, Psychiatric

**Client Referral Information:**

- **If a client/constituent has questions about the Preferred Drug List,** he/she can be referred to the DSS Pharmacy Unit for customer service at 860-424-5150, Option #5.
- **If a prescriber or pharmacist has questions about the Preferred Drug List,** he/she can be referred to EDS Provider Assistance at 800-842-8440.
- **If a prescriber or pharmacist has questions about Prior Authorization,** he/she can be referred to ACS State Healthcare at 866-959-4113.